

## **IDC UPDATE**

December 2, 2021

# **IDC Update: November 11, 2021**

## **IDC and ICI Host Panel on Fund Board/CCO Engagement**

On November 10, IDC and ICI's Chief Compliance Officer (CCO) Committee teamed up for a deep dive session focusing on fund board/CCO engagement. Panelists Stephanie Capistrone (partner at Dechert), CCOs Charles Park (BlackRock) and Katie Primas (Dodge & Cox), and independent directors Kathie Barr (William Blair Funds and Professionally Managed Portfolios) and John Boyer (Voya Funds) discussed the evolution of the relationship between CCOs and fund boards, including their combined efforts to address the ever-increasing regulatory requirements, developments in board reporting, and the impact of the remote working environment on the engagement between CCOs and fund boards. A recording will be made available for directors of ICI member funds on the IDC website.

## **Register Now for IDC's Webinar on BDC Fundamentals: Board Oversight of Business Development Companies**

Join industry experts Susan McGee (independent director for Goldman Sachs BDC) and Thomas Friedman (partner at Dechert) on Monday, December 6 for an engaging discussion on board oversight of business development companies (BDCs). The [webinar](#) will provide an overview of the regulatory framework, formation, and investments of BDCs. The speakers also will offer helpful insights on the fundamentals of being a BDC director that will be of interest to those from all backgrounds, including both investment management and private credit. Register [here](#).

## **SEC Chair Remarks on Projects in Asset Management Space**

In recent [remarks](#) before the SEC's Asset Management Advisory Committee (AMAC), SEC Chair Gary Gensler identified several of the SEC's ongoing projects related to the asset management space, including work on 1) enhancements to fund disclosures, such as the proxy voting disclosures; 2) digital engagement practices (DEPs), including the use of predictive data analytics algorithms; 3) greater transparency in the private funds market, including enhanced reporting and disclosure; 4) disclosures by funds that market themselves as "green," "sustainable," or "low-carbon" of the criteria and underlying data

supporting those claims; and 5) the resiliency of money market funds and open-end funds.

## **ICI Attends COP26 Conference**

ICI President and CEO Eric J. Pan is [leading a delegation](#) to the 26th session of the Conference of Parties (COP26) in Glasgow, Scotland, in late October/early November 2021. The delegation will share the regulated fund industry's perspective on the transition to net zero emissions with government officials, nongovernmental organizations (NGOs), industry participants, and other leaders, consistent with ICI's work on environmental, social, and governance (ESG) matters. Separately, ICI's Board of Governors unanimously approved and released a statement on [financing the transition to net zero](#), identifying actions the industry can take to facilitate the economic transition to net zero emissions and meet investors' objectives.

ICI recently issued a [memorandum](#) summarizing US and international ESG-related developments. The memorandum contains brief descriptions of the events and links to relevant documents.

## **President's Working Group Issues Report Outlining Regulatory Framework for Stablecoins**

Recently, the President's Working Group on Financial Markets (PWG), the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC), released a [report](#) and recommendations on stablecoins—digital assets designed to maintain a stable value relative to a national currency or other reference asset. The [press release](#) accompanying the report notes that “[w]hile today stablecoins are primarily used to facilitate trading of other digital assets, stablecoins could be more widely used in the future as a means of payment by households and businesses.” The report describes various risks and regulatory gaps related to stablecoins. It urges Congress to enact legislation that subjects certain stablecoins and stablecoin arrangements to a federal regulatory framework. ICI's memorandum summarizing the report is available [here](#) (login required).

## **SEC Division of Corporation Finance Staff Rescinds and Issues Guidance on Shareholder Proposal Rule**

The SEC's Division of Corporation Finance recently issued [Staff Legal Bulletin No. 14L \(CF\)](#), rescinding prior guidance that allowed issuers to exclude certain shareholder proposals from proxy statements. The bulletin states that, previously, “an undue emphasis was placed on evaluating the significance of a policy issue to a particular company at the expense of whether the proposal focuses on a significant social policy...[and drew]...the staff into factual considerations that do not advance the policy objectives behind the ordinary business exception.” Going forward, staff will “focus on the social policy significance of the issue that is the subject of the shareholder proposal.” In addition, “proposals that raise issues of broad social or ethical concern related to the company's business may not be excluded, even if the relevant business falls below the [exclusion's] economic thresholds.”

The bulletin also addresses other aspects of the shareholder proposal rule, including the use of emails for some purposes. ICI's memorandum summarizing the bulletin may be accessed [here](#) (login required).

# Mark Your Calendar for Upcoming Events

All times are shown in **eastern time (ET)**.

## Webinars

- [BDC Fundamentals: Board Oversight of Business Development Companies: December 6, 2021, 3:00 p.m.](#)

## ***Foundations for Fund Directors®***

- March 1–2 (Virtual)

## Conferences

- Investment Management Conference: March 27–30, Palm Desert, California
- General Membership Meeting: May 25–26, Washington, DC

Please contact [Paul Mussoni](#) for additional information. A list of IDC events can be found on [IDC's website](#).

For more information about IDC, please contact [idc@ici.org](mailto:idc@ici.org). If you are experiencing technical problems, please contact [webmaster@ici.org](mailto:webmaster@ici.org). To opt out of receiving *IDC Update*, please contact [memberservices@ici.org](mailto:memberservices@ici.org).

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